efficiency and responsibility. If you start a provident fund like this, I say there will be more responsibility on the part of the advocates. They will feel that they can fall back upon something in the old age.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* They are now in the public service.

Mr. A. V. Moothedan *(Chalakkudi):* We cannot leave the court without the leave of the judge. We are tied by so many rules and Standing Orders. Therefore, when you give Provident Fund to aided school teachers, why not you give to lawyers?

Rao Sahib I. N. Menon *(Director of Public Instruction):* It is not compulsory in the case of aided school teachers.

Mr. A. V. Moothedan *(Chalakkudi):* No lawyer is compelled to become a member of this fund also. An aided school teacher, if he wants, can join the fund.

Rao Sahib I. N. Menon *(Director of Public Instruction):* Not, if he wants. The manager must be willing.

Mr. A. V. Moothedan *(Chalakkudi):* Here also if the Government is willing, he can join. Therefore, I do not want to press the motion. I may be allowed to withdraw the motion.

Resolution by leave withdrawn

RESOLUTION No. 31

Higher rate of interest for Municipal funds lying with Government

*Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam)*: *"This Council recommends to the Government to allow a greater rate of interest on Municipal funds lying in the hands of the Government"*

Sir, now Government compel our Municipal Councils to keep a large reserve fund, and these funds are retained in the hands of the Government. But Government is only allowing one per cent interest on the funds lying in their hands. My submission is, taking into consideration, the condition of the money market now, this 1 per cent rate of interest is too low. Our municipalities are hard pressed, to carry out the several beneficial schemes for want of money, and to expect our Councils to levy higher taxes in these days is rather impossible in the nature of things. If they decide to levy higher taxes, or license fees, it will amount to imposing great hardship on the people living in towns. So, in the fitness of things, Government will do well to allow a higher rate of interest or at least to allow the

*Speech not corrected by the hon'ble member.

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Municipal Councils to invest the surplus funds which they are compelled to keep in tact, in the Land Mortgage Bank debentures, or in Government loans.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* Have they got money enough to keep in Land Mortgage Banks and in loans and in other foreign securities ? Does the hon'ble member know that?

Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam):* The Finance Member knows that the Government is compelling these Councils to keep large reserve funds, one year's income.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* Certainly not. It is very much less. I can't tell you the exact figure, but it is not one year's income.

Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam):* In the case of Chittur, which I have the honour to represent, you compel the Council to keep in reserve Rs. 20,000. You compel the Tattamangalam Council to keep Rs. 15,000.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* I can't tell you the exact figure. I can assure you that it is not one year's income. I am speaking from memory. Tattamangalam and Chittur are minor municipalities. I do not know exactly how their position compares. Take the case of Ernakulam and Trichur where the income is 2 lakhs of rupees a year. Certainly 2 lakhs will never be asked to be kept in the Treasury. It may be, say, thirty or forty thousand rupees that will have to be kept as reserve.

Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam):* My information is that the Chittur Municipality has to keep Rs. 20,000 and Tattamangalam Rs. 15,000. So, whatever be the amount, my request is that the Government is, in duty, bound to pay a higher rate of interest.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* If this reserve is not kept in the Treasury how will you draw when you want money?

Mr. A. Eachara Menon *(Chittur-Rural):* We are never allowed to draw a single pie.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* Whenever there is any emergency you can draw. Suppose there is a big scheme. You can draw. Yet we are giving you one per cent interest. Is it not fair?

Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam):* It is a matter of opinion.

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Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* Whatever funds they can invest in long term deposits that they are doing even now. For example, for the Provident Fund amount that is allowed to be deposited in approved banks, say, in the Central Co-operative Bank, I think they get 2½ per cent interest as a special case. That is the only fund which they can put in long term deposits. Their current revenue they cannot invest in long term deposits. The earnest money for works will have to be given back immediately the work is over. The security deposits will amount to a very small figure and they also are allowed to be deposited in the Central Bank. There is nothing like any fund which a municipality can afford to put in any long term deposit. Of course, Government insist upon a minimum reserve to be kept in the Treasury. So that we may know our financial position. Suppose the municipality wants to withdraw all these funds together. It is to avoid that contingency. Suppose in one year they did not get the revenue and they wanted to spend. They must have a fairly comfortable reserve to fall back upon. It is only about 3 years or 4 years ago that a special reserve was fixed for all these municipalities out of practical considerations and when these reserves are fixed by the Government, the Government do not get any interest, mind you, on these reserves.

Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam):* You are keeping a current account with the Central Bank of India.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* We are keeping it in the Treasury. Suppose we have no accounts with you. Why should we keep so much balance in the Treasury? We can easily reduce it by one lakh.

Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam):* Do you accept the position that you compel these municipalities to keep some amount in reserve?

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* Yes, we do.

Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam):* How does the question arise that you have to keep the amount in reserve to meet the demands of the municipality?

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* Because it is a reserve, and it does not mean that it should not be drawn upon. With Government sanction it can be drawn, and Mr. Eachara Menon knows it. He has made several demands. As a matter of caution the special reserve is fixed. That does not mean it is not Municipal Funds. That does not mean that there is any statutory bar to draw on it. Being a personal deposit

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fund suppose the Municipal Fund is say Rs. 50,000 in all, they can draw the whole amount without our permission. The Chairman or the Commissioner is the master of it. Therefore, you must provide for all that, and when you take into account all these contingencies this 1 per cent interest given is not at all unfair.

Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam):* I appeal to the good sense of the Government to give a higher rate of interest.

മിസ്റ്റർ കെ. എസ്സ്. പണിക്കർ: സർ, ഞാൻ ഈ പ്രമേയത്തെ അനുകൂലിക്കുന്നു. ഗവൺമെണ്ടിന്നിന്നും ഈ പ്രമേയത്തിനു് പറഞ്ഞിട്ടുള്ള മറുപടിയിൽ ഒരു കാര്യമില്ല. ഗവൺമെണ്ടു് മുനിസിപ്പാലിറ്റിയോടു് നിർബ്ബന്ധിക്കുന്നു, പണം ഡപ്പോസിറ്റു കൊടുക്കണമെന്നു്. ഞങ്ങൾ പറയുന്നു അങ്ങിനെ കൊടുക്കുന്ന പണത്തിന്റെ പലിശ ഇപ്പോഴത്തേക്കാൾ വർദ്ധിപ്പിക്കണം എന്നു്. ഗവൺമെണ്ടുദ്യോഗസ്ഥന്മാരുടെ ജാമ്യസംഖ്യക്കു്, അതായതു് ജാമ്യമായി കെട്ടിവെക്കുന്ന സെക്യൂരിട്ടി സംഖ്യക്കു് മൂന്നുശതമാനിക പലിശ കൊടുക്കുന്നുണ്ടു്. മുനിസിപ്പാലിറ്റിക്കു് ലോൺ കൊടുക്കുന്നതിനും ഗവൺമെണ്ടു് അധികപലിശ വാങ്ങിക്കുന്നുണ്ടു്. അതുപോലെയെങ്കിലും മുനിസിപ്പാലിറ്റിയുടെ ഡപ്പോസിറ്റിനു പലിശ കൊടുക്കരുതോ? അധികാരം കയ്യിലിരിക്കുന്നതുകൊണ്ടു് ഗവൺമെണ്ടിനു കിട്ടേണ്ടതു് ശരിക്കു കിട്ടിക്കൊള്ളും. എന്നാൽ ഗവൺമെണ്ടിൽ പലിശ വാങ്ങുന്നതുപോലെ മുനിസിപ്പാലിറ്റിക്കും കൊടുക്കണം. ഗവൺമെണ്ടുദ്യോഗസ്ഥന്മാരുടെ ജാമ്യസംഖ്യക്കു് കൊടുത്തുവരുന്ന പലിശയെങ്കിലും കൊടുക്കരുതോ എന്നാണു് ഞാൻ വീണ്ടും വീണ്ടും ചോദിക്കുന്നതു്?

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* Is it the hon'ble member's contention that the Municipal Funds should not be lodged in the Treasury and should be lodged in private banks? I want to know that.

മിസ്റ്റർ കെ. എസ്സ്. പണിക്കർ: ട്രഷറിയിലായാലും മുനിസിപ്പാലിറ്റിയോടുള്ള ഉത്തരവാദിത്വം ഗവൺമെണ്ടിനുണ്ടു്. അതുകൊണ്ടു് ന്യായമായ ഒരു പലിശ മുനിസിപ്പാലിറ്റിക്കു കൊടുക്കണം. ഈ റസല്യൂഷന്റെ തത്വം ഗവൺമെണ്ടു് അംഗീകരിക്കണം. അതുപ്രകാരം ഗവൺമെണ്ടു പ്രവൃത്തിക്കണം. ഇതാണു് എന്റെ ഉൽബോധനം.

Mr. C. V. Iyyu *(Kunnamkulam):* On a point of information, may I know whether the municipalities cannot be permitted to deposit their funds in the Central Bank of India, not in the capacity of bankers of the Government and not in the Treasury also. I do not think Government will have any objection.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* The question should be raised and considered. It is a very complicated question. It has to be considered in greater detail.

Deputy President: There will be no meaning in dividing in this state of the House.

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Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam):* If the Government is going to oppose, there is no use of my pressing it. I appeal only to the good sense of the Government. My honest conviction is that the Government will be doing only a piece of justice, if a higher rate of interest is paid for the Municipal Funds in the hands of the Government.

Resolution by leave withdrawn

Deputy President: In this state of the House you cannot press any motion. You can simply move a motion and withdraw the motion with the leave of the House. Have the members any objection to adjourn the House?

മിസ്റ്റർ കെ. എസ്സ്. പണിക്കർ: കുറച്ചുകൂടി കഴിയട്ടെ സർ.

Deputy President: What is the use of simply moving the resolution and then withdrawing? It will be doing a great disservice to the causes that you advocate. That is why I ask not to object to the adjournment of the House. Now you are only 6 members here.

മിസ്റ്റർ കെ. എസ്സ്. പണിക്കർ: റസല്യൂഷൻ അയച്ചിട്ടുള്ള ആളുകൾ ഇവിടെ ഹാജരില്ലെങ്കിൽ കൌൺസിൽ നടപടി നിറുത്തിവെക്കുന്നതും പിന്നീടാകട്ടെ എന്നുവെക്കുന്നതും ശരിയല്ല. റസല്യൂഷൻ അയക്കുന്നവർ സമയത്തിനു ഹാജരുണ്ടായിരിക്കണമെന്നതാണ്. അവർ ഹാജരില്ലാത്തതുകൊണ്ട് അതു ബാക്കിയുള്ളവരെക്കൂടി ബുദ്ധിമുട്ടിക്കുകയാണ് ചെയ്യുന്നതു്.

Mr. T. S. Ramachandra Ayyar *(Chittur-Tattamangalam):* In such a thin House suppose a resolution is put to votes. It will be recording the position of the Government and nothing more. So much so, I move that the House be adjourned.

Mr. C. V. Iyyu *(Kunnamkulam):* I second it.

Mr. K. S. Panicker *(Ezhuvas-Mukundapuram):* I oppose it.

Deputy President: I think the majority is for adjournment. The general sense is for adjournment. Therefore, I do adjourn the House.

The House rose for the day at 4-45 p.m.

C. J. MATHEW
Secretary to the Council

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